estimate of Rs. 2·89 lakhs against the revised estimate of Rs. 2·33 lakhs. The large increase of Rs. 1·94 lakhs under Forests and Tramway over the revised estimate of Rs. 6·48 lakhs has been rendered necessary on account of the proposed extraction and transport of a much larger quantity of timber than in the current year. The strengthening of the taluk and treasury establishments of the Land Revenue department, the organisation of a Survey School, the deputation of a hand or advanced survey training in British India, etc., have all been dealt with in the Memorandum in your hands.

Law and order services

Let me now pass on to the Law and Order Services—Law and Justice, Jails, Police and Military. The surging wave of unrest in British India in August last had its repercussions in the State also and all these departmets had their hands full as a consequence. Even though the conditions have now become normal, its effects are still partially reflected in the budget before you.

Law and Justice.—Two special Magistrates with first class powers had to be appointed in the course of the year to try the numerous cases under the Defence of India rules, etc., and they are to continue for part of next year.

Police.—Under Police the budget estimate for the current year was only Rs. 3·06 lakhs: in the revised estimate it rose to Rs. 3·19 lakhs and for the coming year it is fixed at Rs. 3·72 lakhs *i.e.*, Rs. 0·53 lakh more than the revised estimate. The large temporary force has to be continued further; a reallocation of the several grades of the force was effected in the course of the year. Besides the dearness allowance granted to them as in other departments, it is proposed to give the Police force a war allowance at the rate of Rs. 1—8—0 for each and hence the provision of Rs. 0·14 lakh. The higher cost of clothing, etc., for uniforms also accounts for the increase.

Jails.—The continuance of the existing temporary establishment of the deputy jailor, warders, etc., is found necessary as the prison population is still large. The rise in the number of prisoners and the high prices of food stuffs and clothing have necessitated larger provisions under Diet of Prisoners and Clothing and Bedding. The agricultural operations started this year in the Jail under the supervision of an officer deputed from the Agricultural department are to continue.

Military.—On the reorganisation of the Military I have spoken elsewhere. The strengthening of the force, the intensive training being given to them to make them effective units in times of necessity, the formation of a new cosmopolitan unit thrown open to all classes, etc., all these form the important features of the budget estimate.

Administrative Services

Passing on, I now come to the departments like General Administration, Finance and Accounts, Palace and Miscellaneous.

General Administration.—As compared with the revised estimate (Rs. 2·36 lakhs) the budget for the coming year anticipates an increase of Rs. 0·53 lakh of which the Huzur Secretariat accounts for an increase of Rs. 0·23 lakh owing to the larger provision for Printing Charges, and the large temporary establishments of two Superintendents, and clerks who had to be entertained to meet the larger volume of work brought about by the war and civil supplies. There is provision of Rs. 0·30 lakh under State Loan for various items of expenditure connected with the floatation of the new Conversion Loan to which I shall come immediately.

Finance and Accounts.—Except for the continuance of the two temporary local audit divisions and of the leave reserve staff and the new provision for a stock-taking Officer with staff for verification of the stock of medicines in the Central Stores of the Medical Department no special features are provided in this department.

Miscellaneous.—Under this has been included all sundry items of expenditure that have had to be incurred to meet the present crisis and they include such divergent items as A.R.P., War Publicity, National War Front, Civil Supplies, Evacuation, Hill Paddy, etc. The temporary establishments that have had to be created to meet the present emergencies are indeed numerous. Police and Military for defence measures have 278 employees, the Civil Supplies department excluding audit has 717 hands, Price Control establishment of the Excise department has 88, the grain purchase staff number 175, the War Publicity and National War Front have 33 hands; and the A.R.P. both divisions employ 571 persons. It is however consoling that the present crisis has given employment to such a large number of persons; but the problem of their further employment on the termination of the present emergencies will indeed be a taxing one. This is however only a problem for the future.

Coming now to the subject proper I have not much comment to make as the figures explain themselves; the A. R. P. and allied measures are continued, but, the

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Government are considering the question of effecting some retrenchment in view of the improved situation. Provision has also been made for the continuance of the Food Supplies department throughout the year—the magnitude of the work of the department can be imagined more or less when one sees that the revised estimate anticipates a total turnover of Rs. 250 lakhs and the budget estimate a total of Rs. 433·70 lakhs.

The beggar problem the solution of which has been generally a baffling one is proposed to be tackled and a beginning has been made for the first time by the provision of Rs. 0·50 lakh to take up the question in earnest in the coming year.

Capital Services

The Anamalai Road.—The Anamalai Road work for which a provision of Rs. 4 lakhs was made in the current year is still in progress. The survey of the first section of the road is already over and actual construction is going on. A provision of Rs. 3·14 lakhs is made in the coming year for continuing the work.

The Chalakkudi Irrigation Scheme.—The investigation by the Irrigation expert is nearing its completion and he estimates the total cost of the scheme at Rs. 11 lakhs. Though the outlay is large the project would benefit about 25,000 acres besides the kole lands bringing in an annual return of about 8 per cent on the outlay besides bringing a lump receipt of Rs. 3 lakhs on the sale of available poromboke lands. It is not the return that counts much but it is the large quantity of food to the people that makes the scheme attractive. A provision of Rs. 2·50 lakhs is made for the next year.

The other outstanding provisions are Rs. 0·25 lakh for the purchase of additional machines for the R.V.C.A. Hospital—Sales section, and Rs. 0·10 lakh for Chittur electrification for the capital works to be done in connection with the purchase of electricity from Pykara.

Revenue Reserve Fund

The Revenue Reserve Fund is having additions out of the surplus of each year and the fund which stood at Rs. 22·75 lakhs at the end of 1117 was since credited with a sum of Rs. 15·00 lakhs out of the realised surplus of 1117 amounting to Rs. 18·75 lakhs. As usual a sum of Rs. 2·00 lakhs has been drawn out of the fund for Rural Development activities of the next year also and the balance in the fund will be Rs. 33·75 lakhs at the end of 1119. This is expected to stand us in good stead in times of emergency or for utilisation on development schemes in the future.

Our Debt Position

I shall now pass on to review our debt position and to explain our ways and means.

Last year I stated "the 5 per cent debenture loan of Rs. 75 lakhs raised in 1933 matures on 1st October 1943 and the question of its redemption will be engaging the attention of the Government in the near future." It has now been decided to redeem it and raise a conversion loan of Rs. 70 lakhs at 3 per cent repaying Rs. 5 lakhs from the General balances. A sinking fund at 3 per cent on our total public debts has also been proposed. It may quite pertinently be asked why we could not repay more when we have such large surpluses now; apart from the dictum that the burden of reproductive schemes for which large amounts are spent should be spread over future years for repayment by posterity, the balances at our hands will not be available as fabulous amounts are required to finance our schemes for purchases of grains, standard cloth, etc. In fact to meet these demands we had also to arrange an overdraft account with our bankers. Our 3½ per cent loan of Rs. 30 lakhs is maintaining a very good position in the market indicating public confidence in the stability and soundness of the State Finances. Our debt position at the end of 1119 is expected to stand at Rs. 315·92 lakhs consisting of debenture loans of Rs. 100 lakhs, Rs. 50·000 lakhs in temporary overdraft account and balances to the credit of the Provident Fund, Deposit Accounts, etc., amounting to Rs. 165·92 lakhs including the Customs Revenue Suspense of Rs. 30·000 lakhs. When our cash balances, investments in Government Gilt-edged securities and the various loans and advances to agriculturists, industrialists, etc., are considered, the debt burden has to be considered as small. It is more than covered by our assets and investments on reproductive works as could be seen from the statement of assets and liabilities attached to the budget.

Ways and Means.—The programme of the current year called for much care and attention owing to the large advances required for the purchase of foodgrains, recruitment of labour, etc. The sale of gilt-edged securities in the possession of Government would have partially met the incessant demands, but as such sales are not now advantageous an over-draft account has been opened with our bankers to finance these demands as stated by me already. Our working balances in the treasuries and banks is expected to stand at Rs. 111·62 lakhs at the close of the current year. During the next year we have to finance capital works to the extent of

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